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ENPARD: Support to Agriculture and Rural Development

Annual Cooperative Survey Results

Development of EU-Funded Agricultural Cooperatives across Georgia

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14 July, 2017

WITH FUNDING FROM AUSTRIAN DEVELOPMENT COOPERATION

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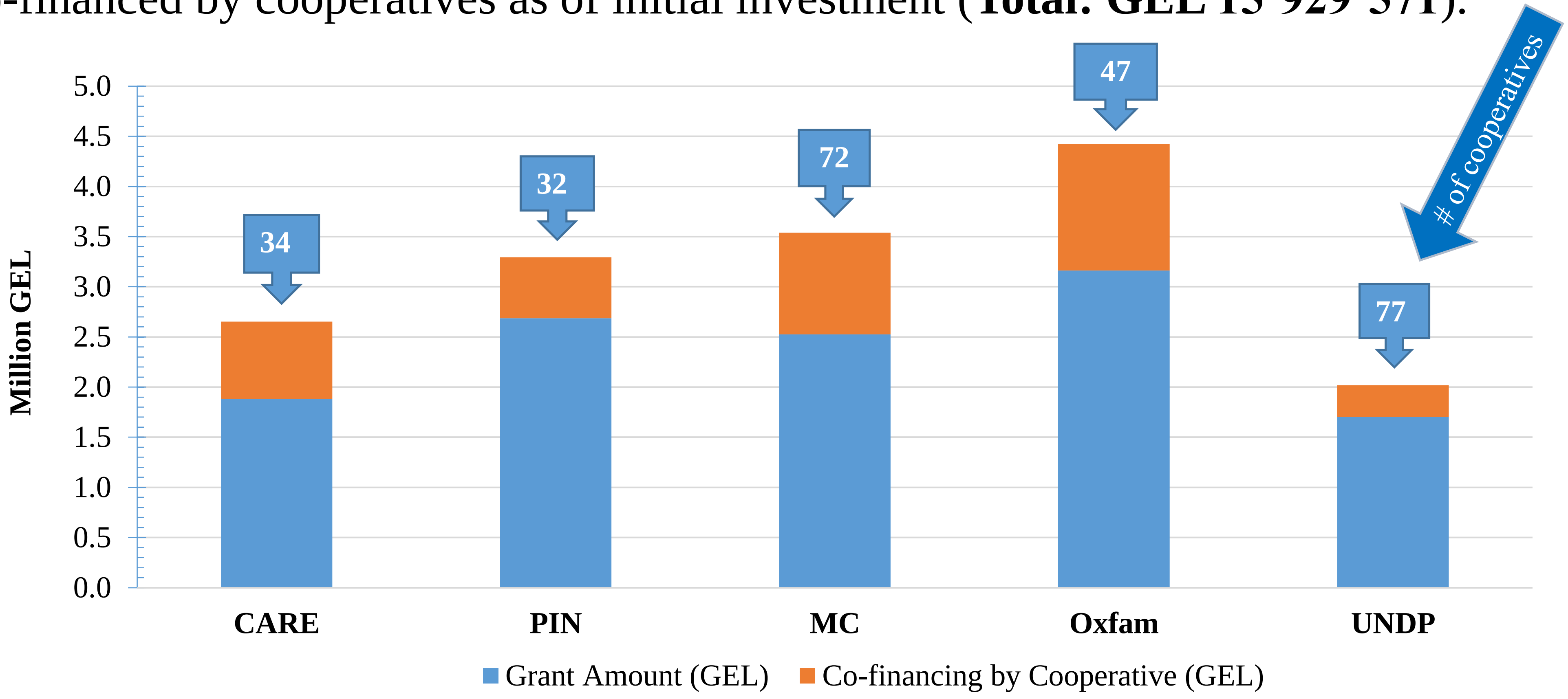
- **262** Agricultural Cooperatives supported by ENPARD (as of January 1, 2017);
- In total, **GEL 11’955’753** was invested by **ENPARD** and **GEL 3’973’818** co-financed by cooperatives as of initial investment (**Total: GEL 15’929’571**).



Source: ENPARD supported cooperative database (January, 2017)

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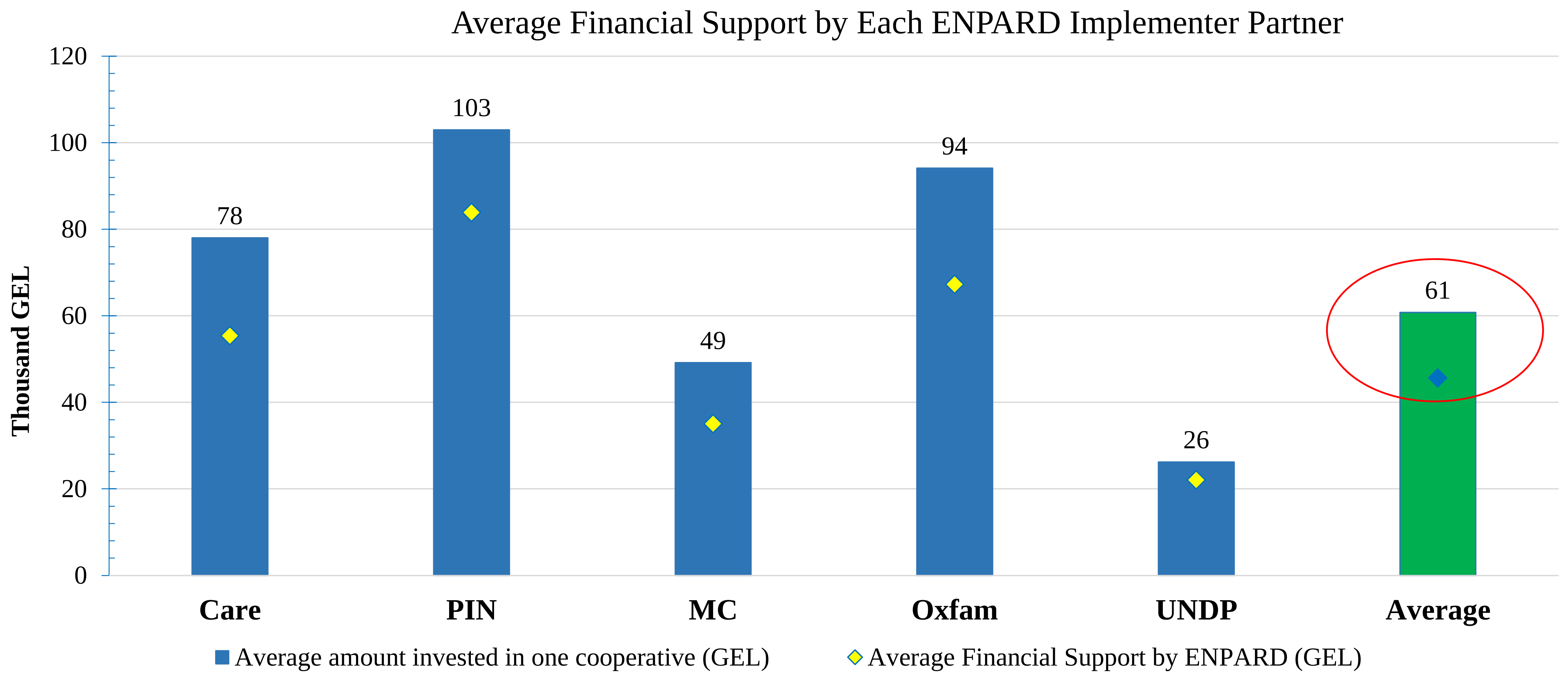

Source: ENPARD supported cooperative database (January, 2017)

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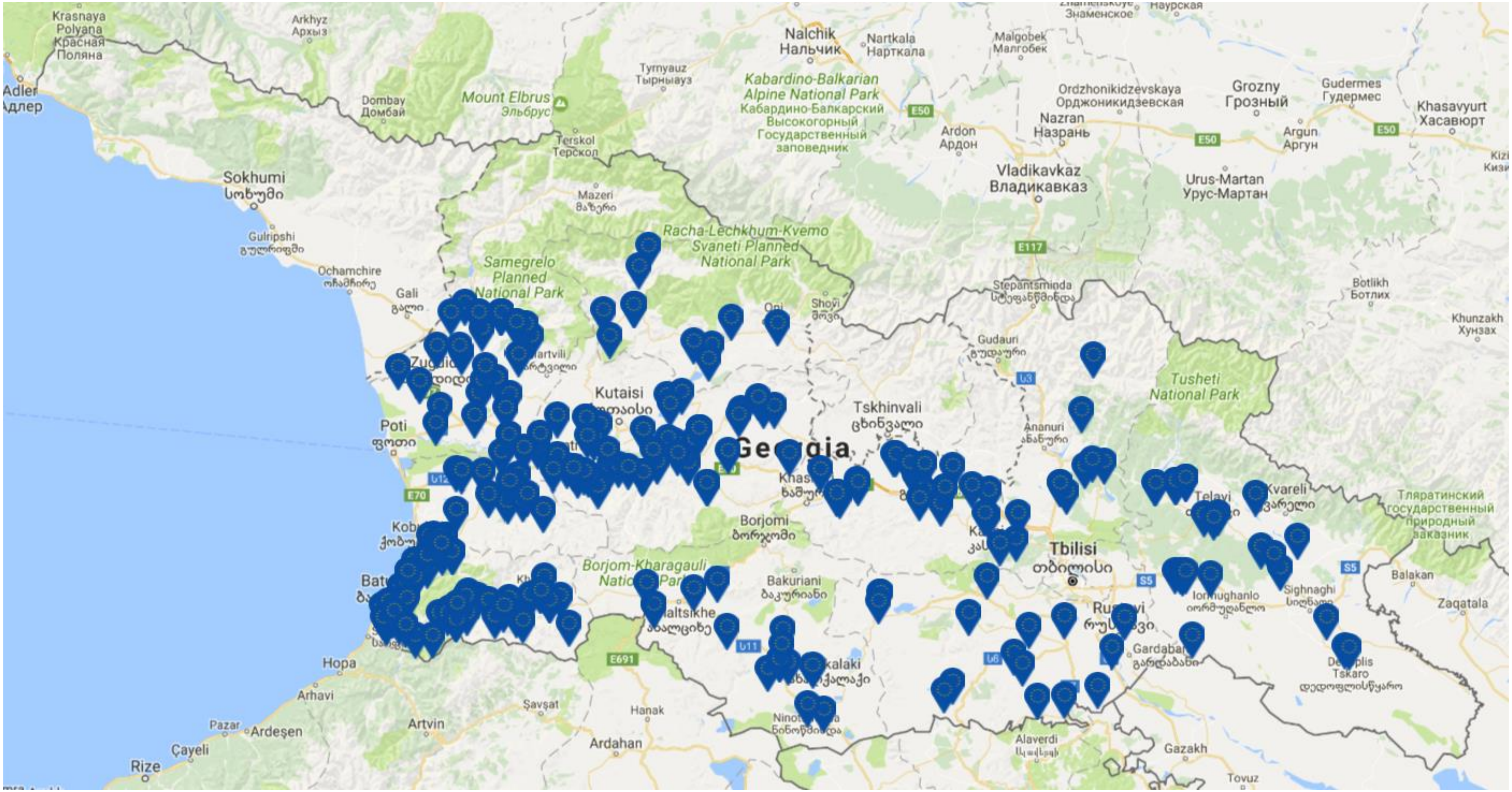
Locations of ENPARD Supported Agricultural Cooperatives Across Georgia



Methodology

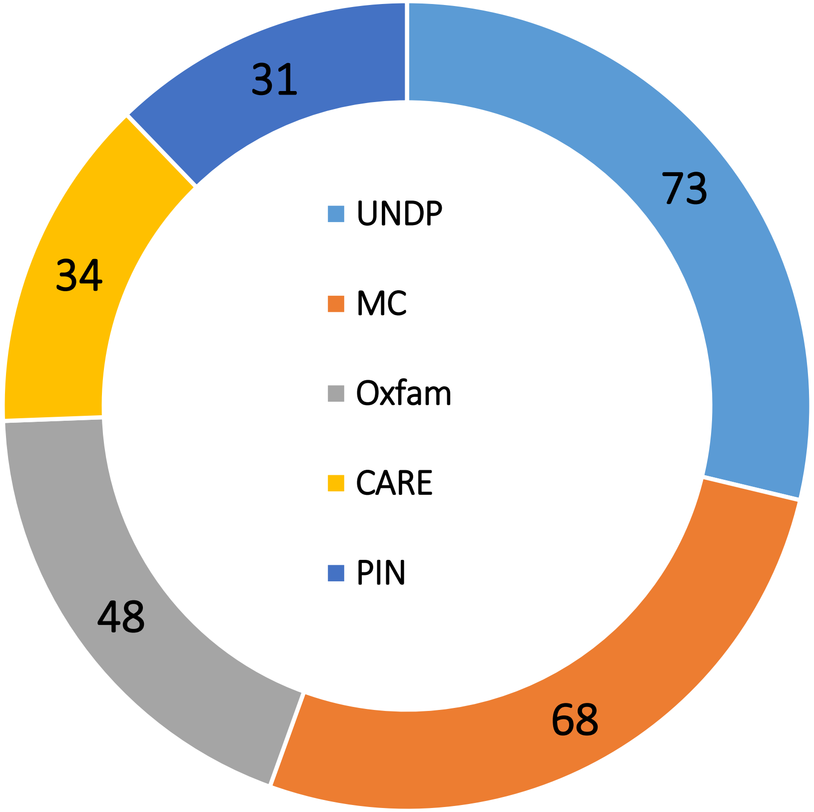
- **Annual Cooperative Survey**
  - ➢ The questionnaire for the survey was developed with the involvement of 4 ENPARD implementer consortia (led by CARE, Oxfam, Mercy Corps, and PIN);
  - ➢ 4 consortia use the same questionnaire for survey since 2015;
  - ➢ Each consortium collects data by itself and delivers to ISET (partner in CARE consortium)
  - ➢ ISET then consolidates, cleans, checks, and transfers data into STATA usable format
  - ➢ ISET analyses the data and delivers the results

Research Limitations

- UNDP-supported cooperatives were surveyed retrospectively regarding the last three years (2014-2016) in the March-April 2017;
- Data is self-reported by cooperatives (not verified by official documents in many cases).

Annual Cooperative Survey was conducted for 254 cooperatives

(reporting year: 2016)



Year	# of COOPs surveyed over time
2016	254
2015	184
2014	125

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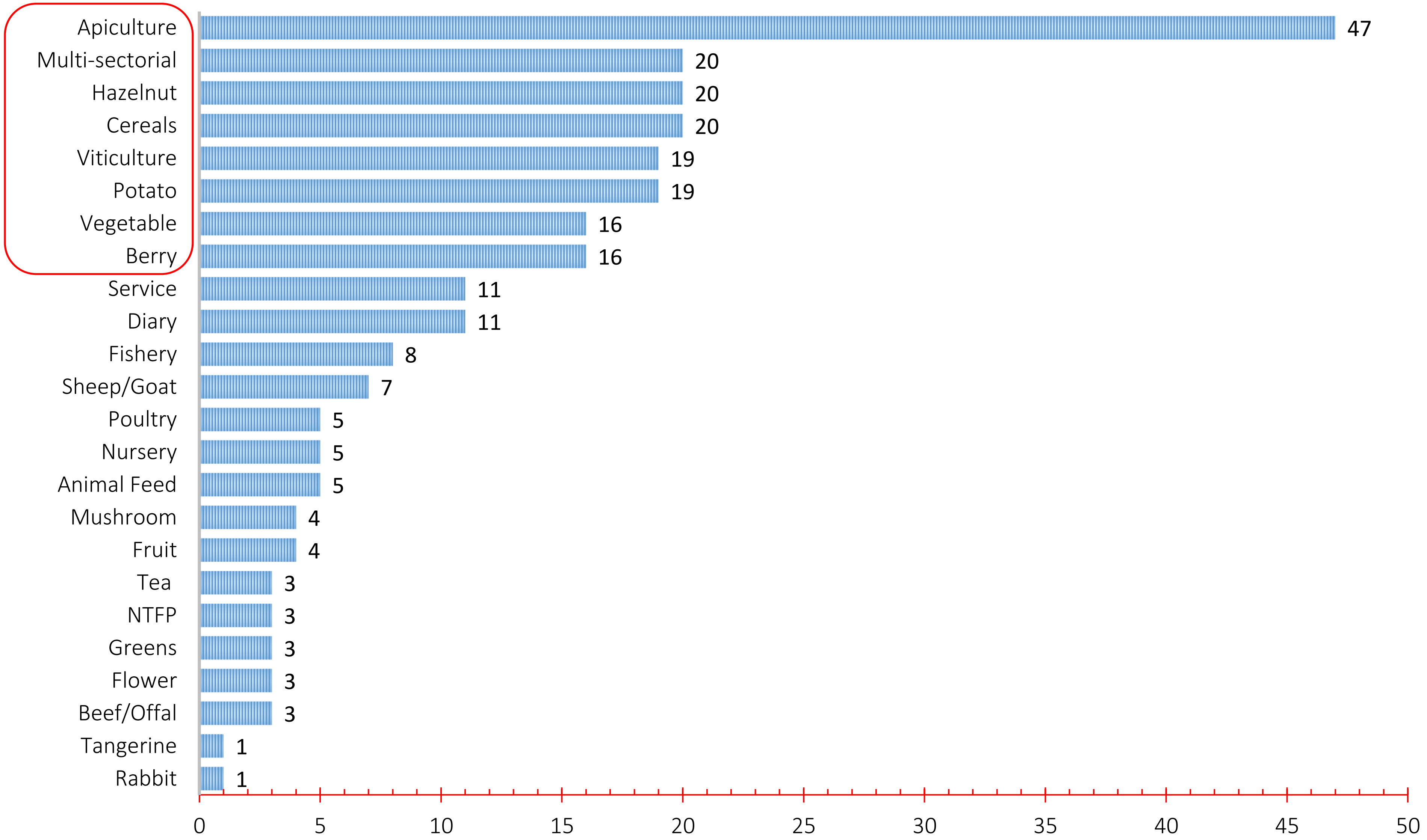
Sectors of Agriculture Covered by Cooperatives



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Top Products Produced by ENPARD-supported Cooperatives

YEAR	2014		2015		2016	
PRODUCT	TOTAL PRODUCTION VOLUME (Tons)	PRODUCTION VOLUME PER COOP (Tons)	TOTAL PRODUCTION VOLUME (Tons)	PRODUCTION VOLUME PER COOP (Tons)	TOTAL PRODUCTION VOLUME (Tons)	PRODUCTION VOLUME PER COOP (Tons)
Honey	**24** (1,25%)*	1,1	**55** (2,75%)	1,8	**72** (3,4%)	1,6
Potato	**453** (0,21%)	91	**1815** (0,97%)	130	**4643** (1,86%)	186
Vegetables	**79** (0,05%)	8,7	**167** (0,11%)	8,4	**553** (0,39%)	16,3
Hazelnuts (in-shell)	**256** (0,76%)	28,5	**322** (0,91%)	32,2	**681** (2,31%)	34,1
Maize	**683** (0,23%)	97,5	**969** (0,52%)	64,6	**1830** (0,75%)	63

*share in Georgia's total production (based on Geostat's data).

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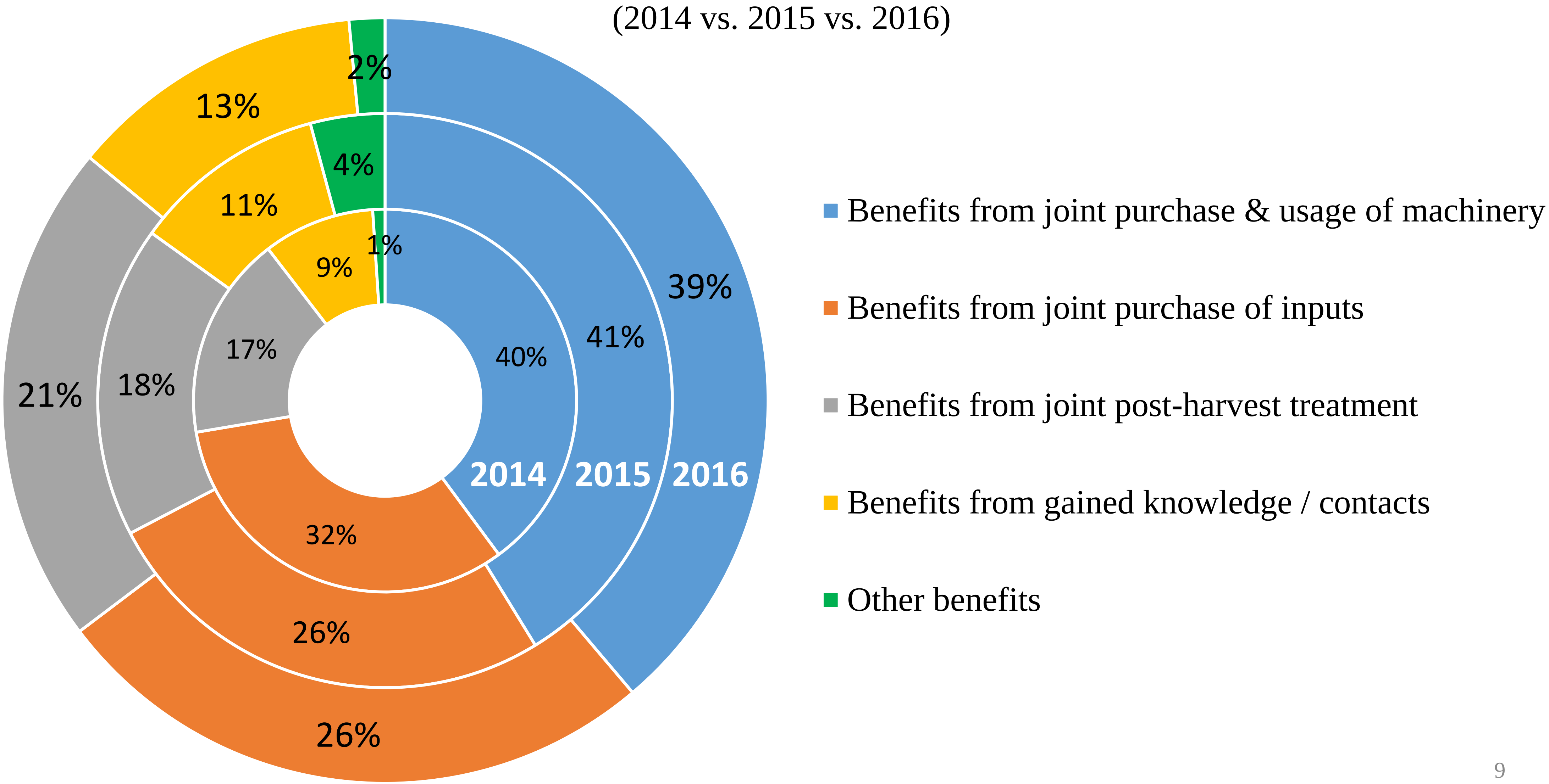
Benefits from Cooperation

(as seen by cooperative members)



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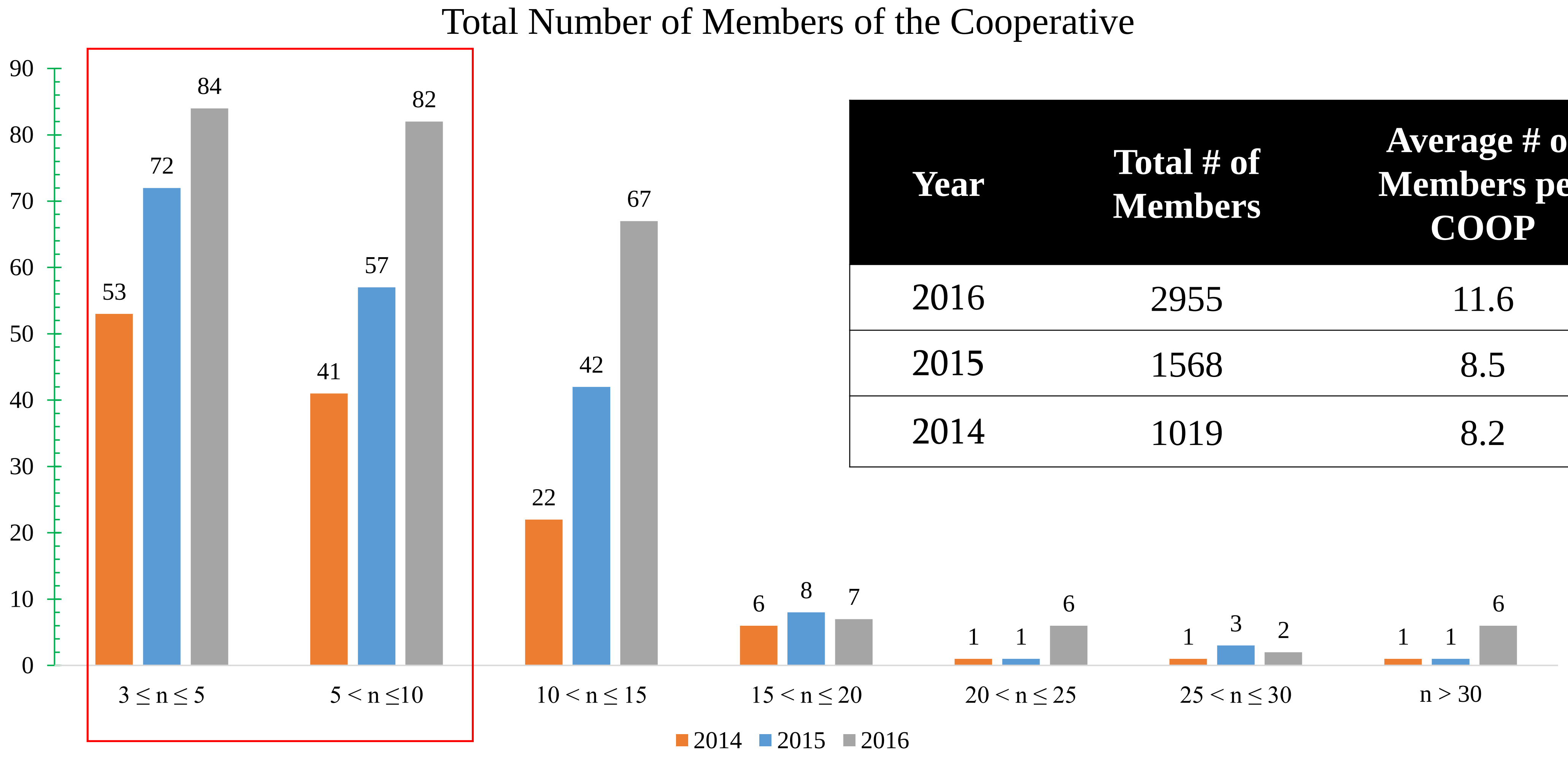
Membership

Largest cooperative has 516 members and the smallest - 3 members



Year	Total # of Members	Average # of Members per COOP
2016	2955	11.6
2015	1568	8.5
2014	1019	8.2

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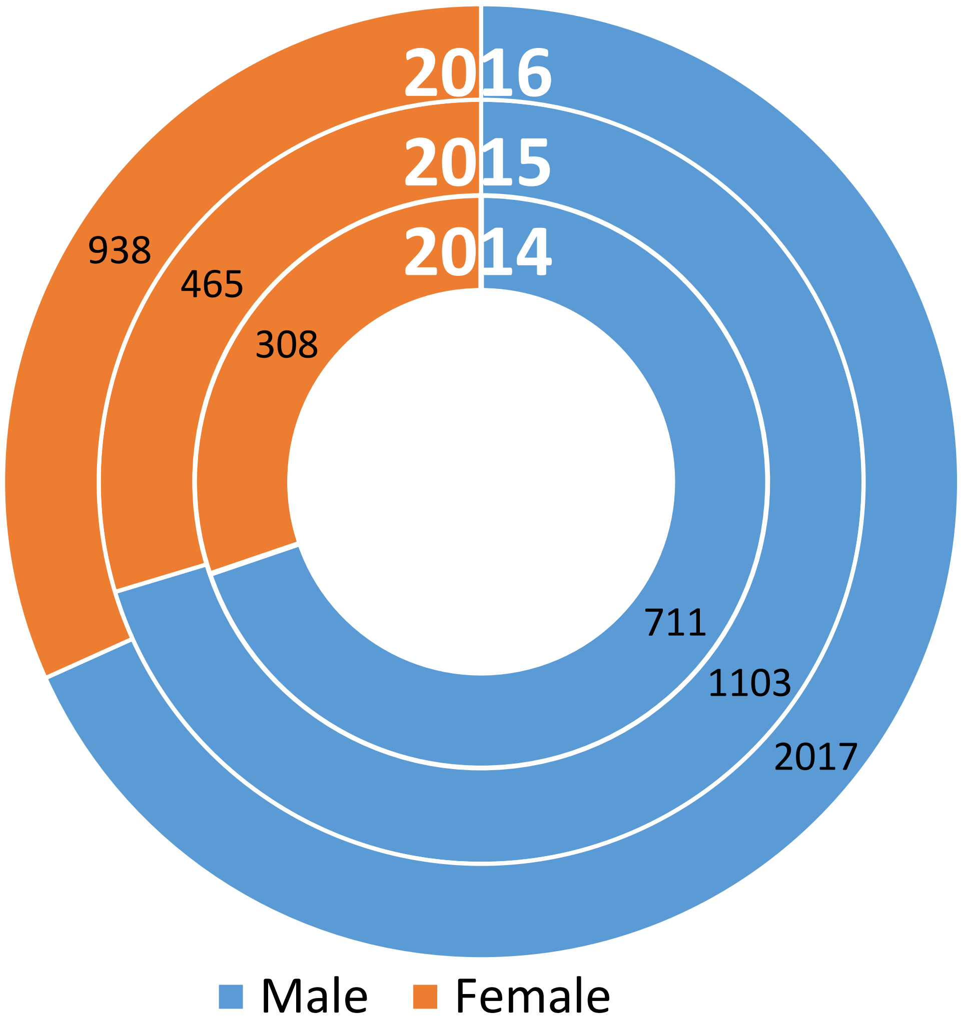
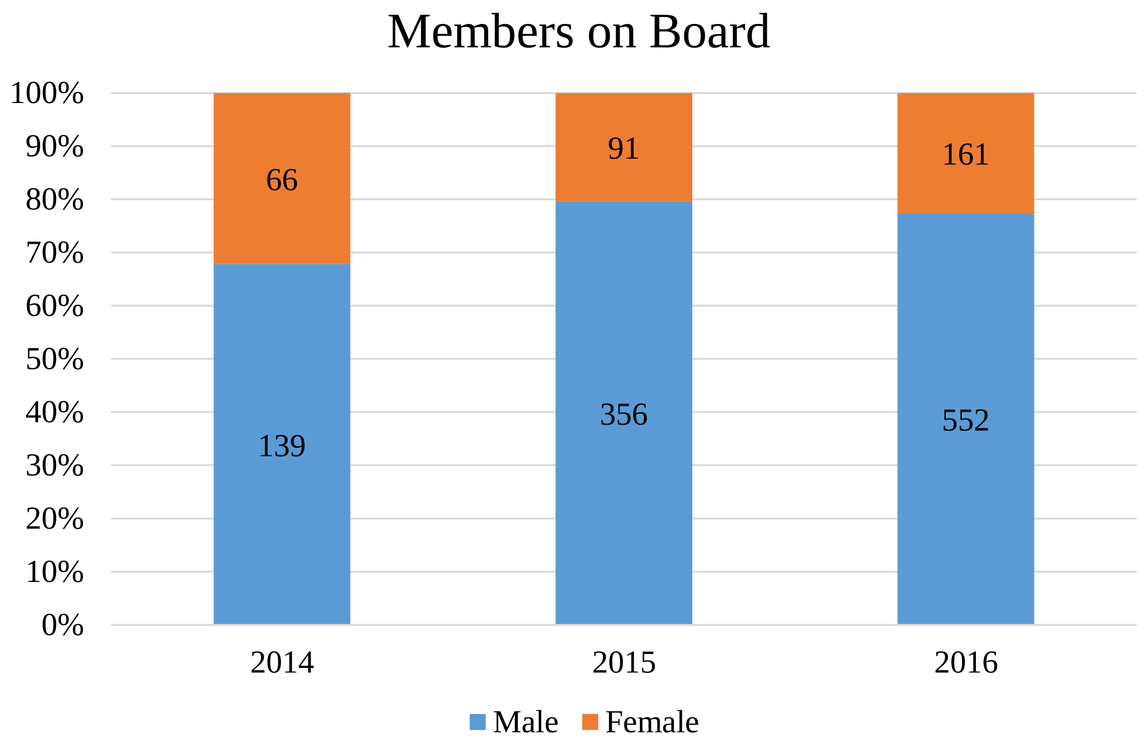
Gender Diversity of Members





Women Participation
(summary)

Year	# of cooperatives surveyed	Total # of members	Share of women members	Share of women representatives at management board	# of coops with at least one female member	Share of women in total employees
2016	254	2955	32%	23%	196	51%
2015	184	1568	30%	20%	133	45%
2014	125	1019	30%	32%	89	44%

- In total, women participation in cooperatives (being members or employees) was 33-33% in 2014 and in 2015, and 37% in 2016.

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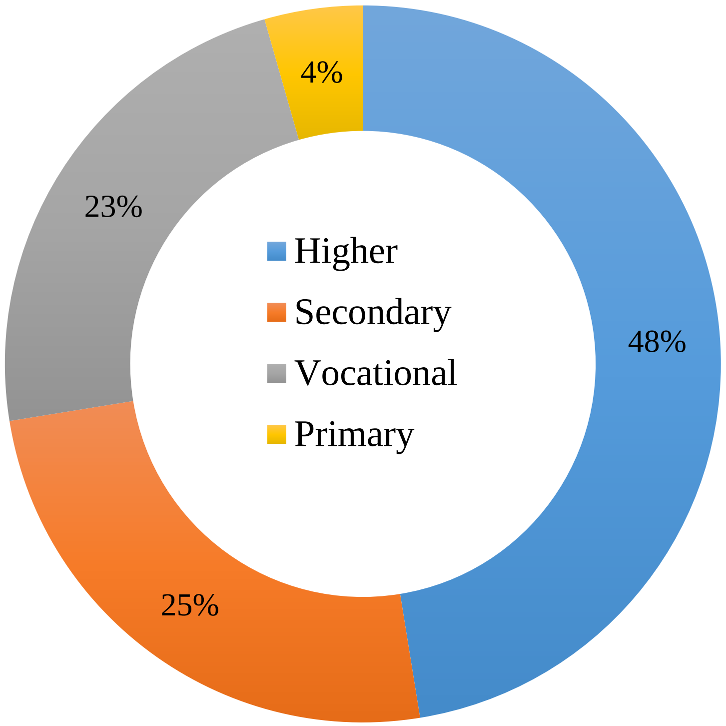
Members of Cooperatives

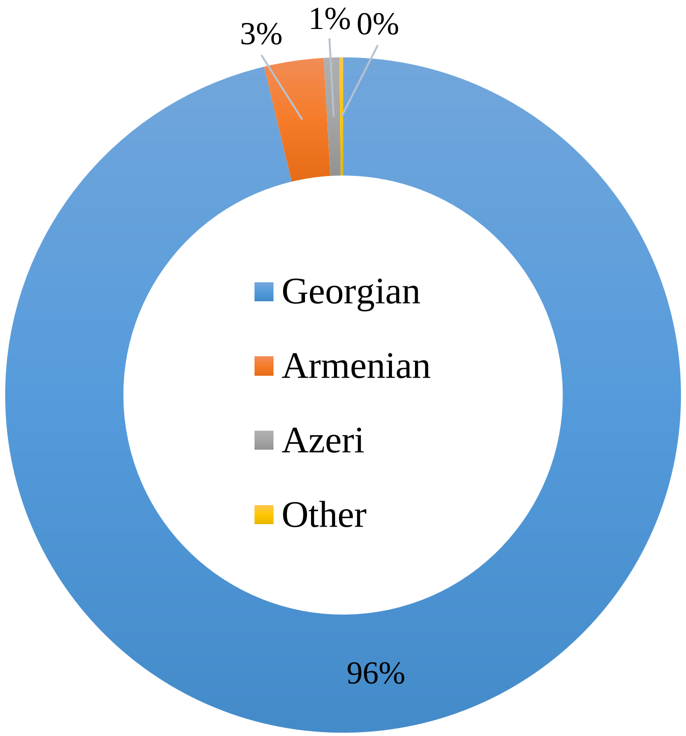
Education



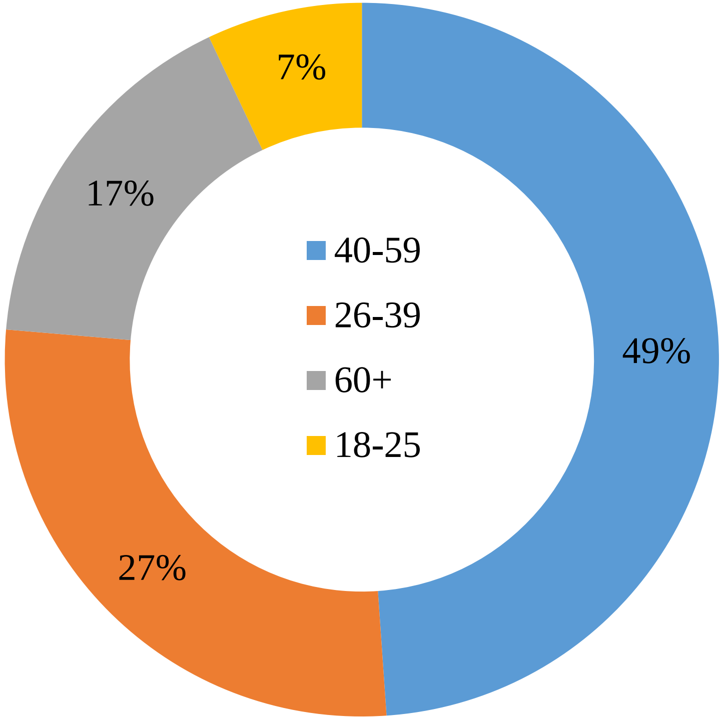
% of Higher		
2014	2015	2016
50%	52%	47%

% of Georgians		
2014	2015	2016
96%	96%	96%

Ethnicity



Age



% share of members in a range of 18-39		
2014	2015	2016
41%	37%	35%

Cooperative Members

- Main source of income for 70% of cooperative members is agriculture

- Cooperative members are from
  - (1) one municipality
  - (2) same village
  - (3) same community (but different villages)
    - ➢ but cooperatives with the members from the different municipalities are increasing

- Less than 10 families are represented in more than 80% of cooperatives (however, the number of families per cooperative has increased compared to 2014 year)

- More than 50% of total members hold from 5 to 10% of shares

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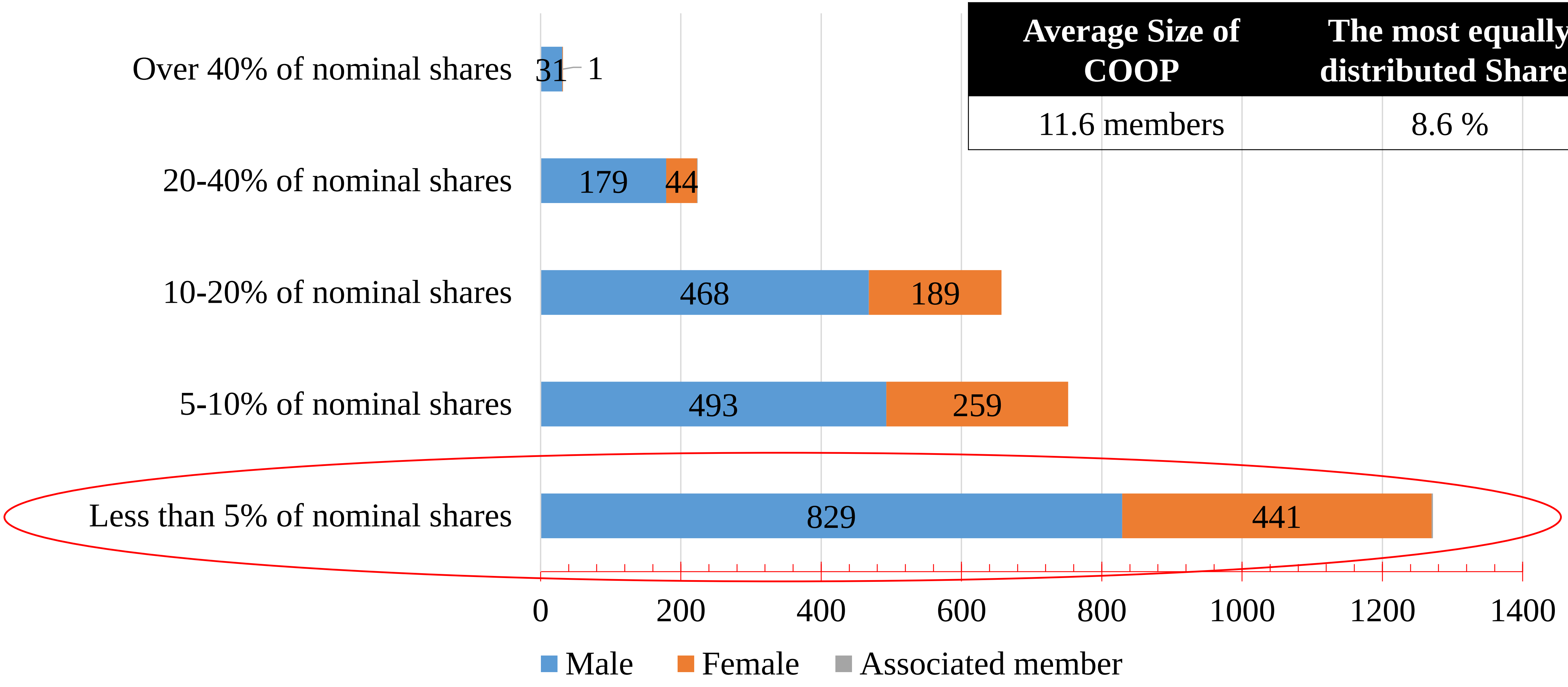
Shareholding among Members of Cooperatives (2016)

Average Size of COOP	The most equally distributed Shares
11.6 members	8.6 %



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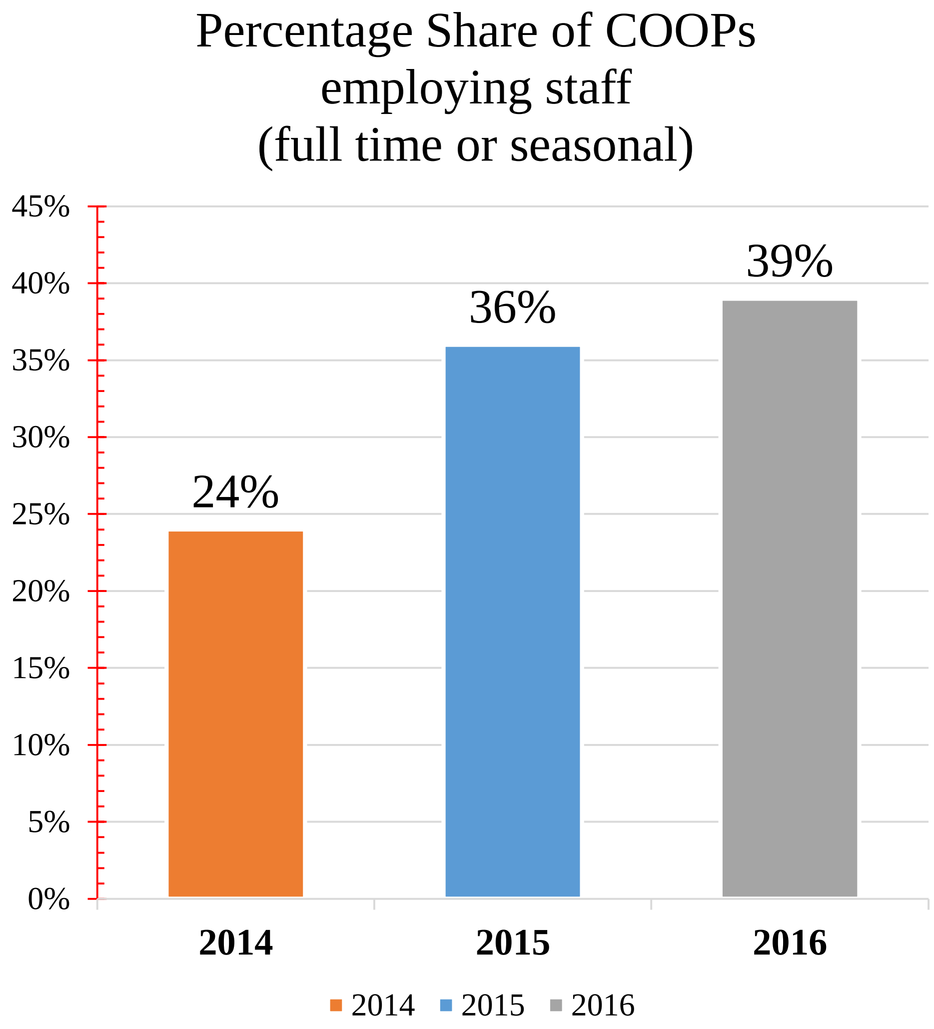
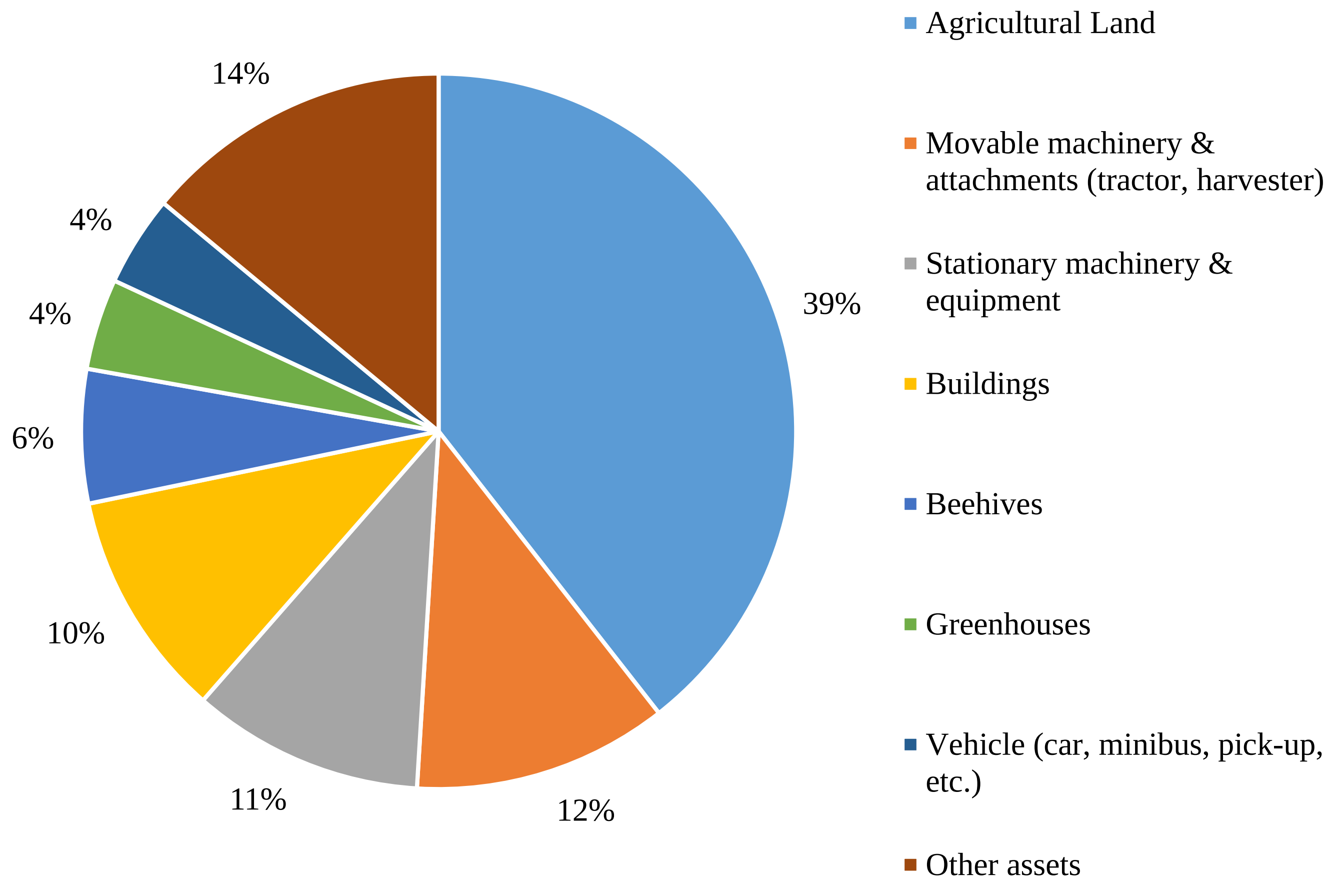
Employed Staff
(paid employees)



Year	Total # of employees	Share of seasonal workers	Average employees per COOP	Percentage change compared to previous year	Women employees
2016	1062	73%	10.8	52%	51%
2015	474	83%	7.1	-1.4%	45%
2014	215	50%	7.2	---	44%

Total Fixed Assets Used by Cooperatives

Top fixed assets used by COOPs

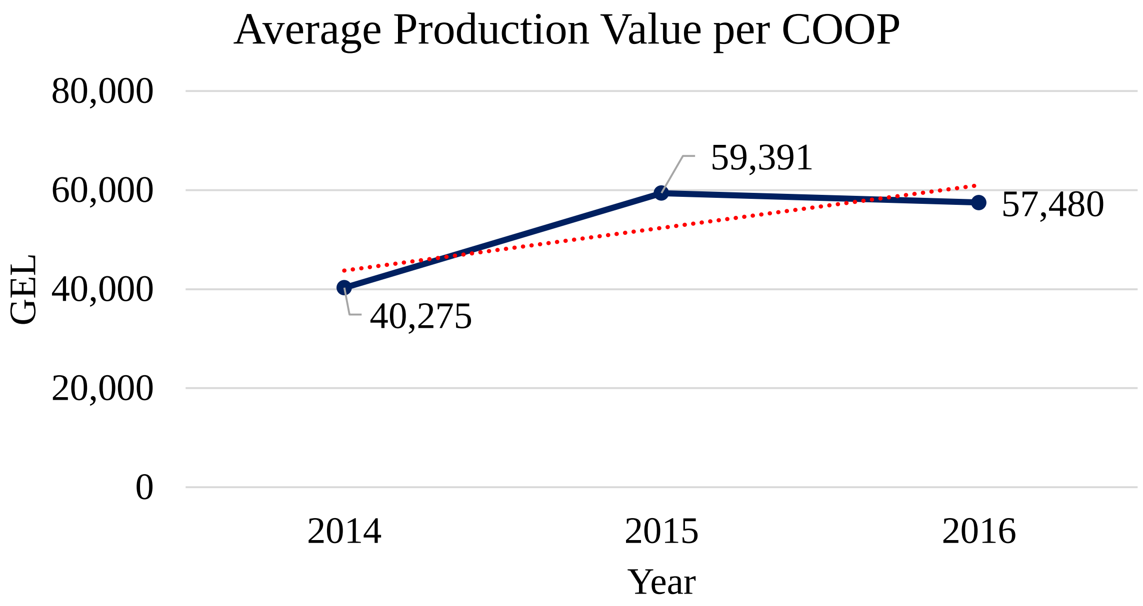


Year	Mean (GEL)	Median (GEL)	Total Value (GEL)
2016	162 K	119 K	40,4 mln.
2015	101 K	76 K	12,5 mln.
2014	54 K	28 K	3,3 mln.

- The fixed assets are mostly contributed by the members and by ENPARD.

Production Value

(2014 vs. 2015 vs. 2016)



- Compared to 2014, the production value per cooperative increased by 43% on average in 2016.
- However, 2015 year was better than 2016 – production value has decreased by 3% on average. Mostly because:
  - ➢ Unfavorable weather conditions harmed the harvest more in 2016 than in 2015;

Year	# of COOPs reported production value	Mean (GEL)	Median (GEL)	Total Value (GEL)
2016	223	57,480	23,600	12.8 mln.
2015	143	59,391	20,400	8.5 mln.
2014	88	40,275	18,000	3.5 mln.

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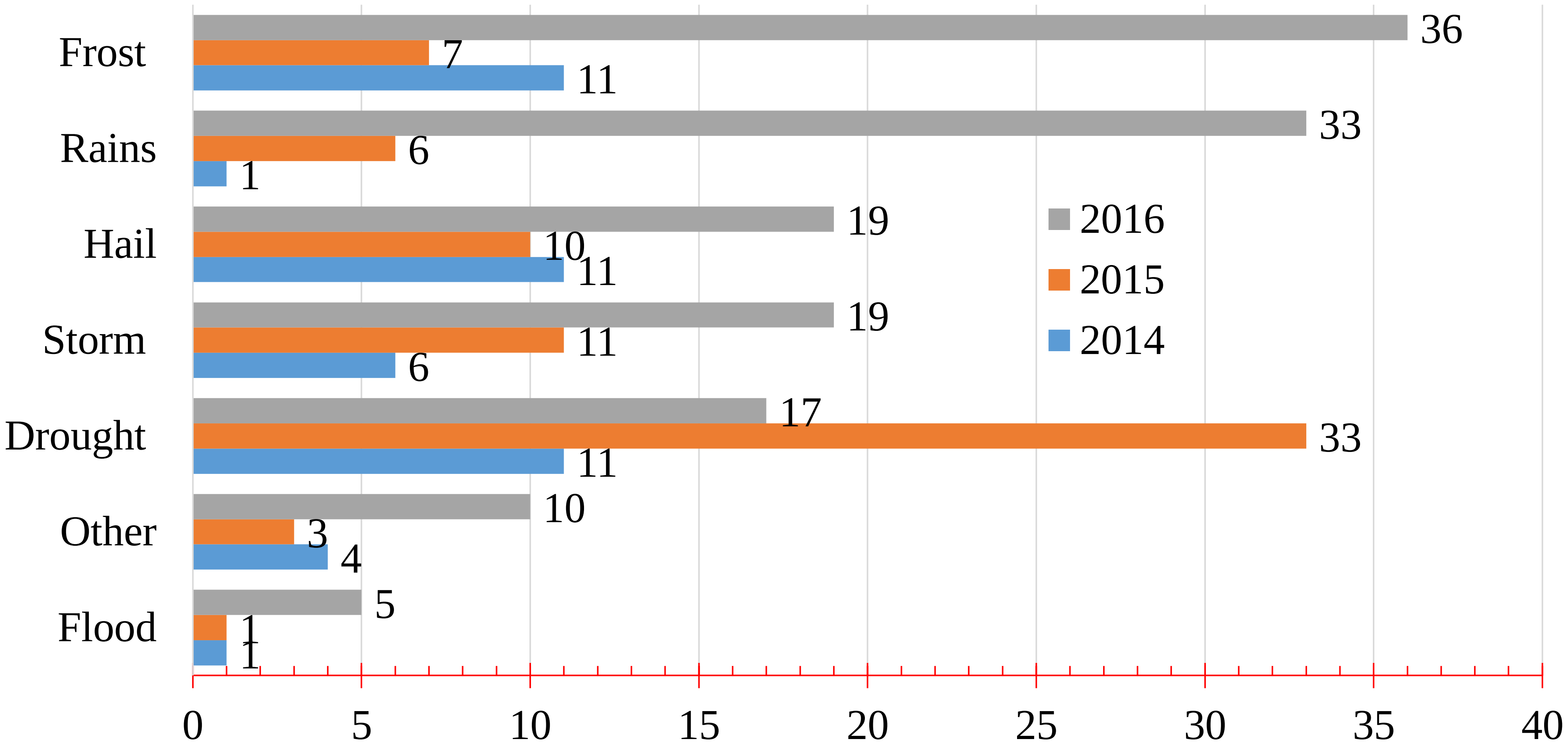
Unfavorable Weather Conditions

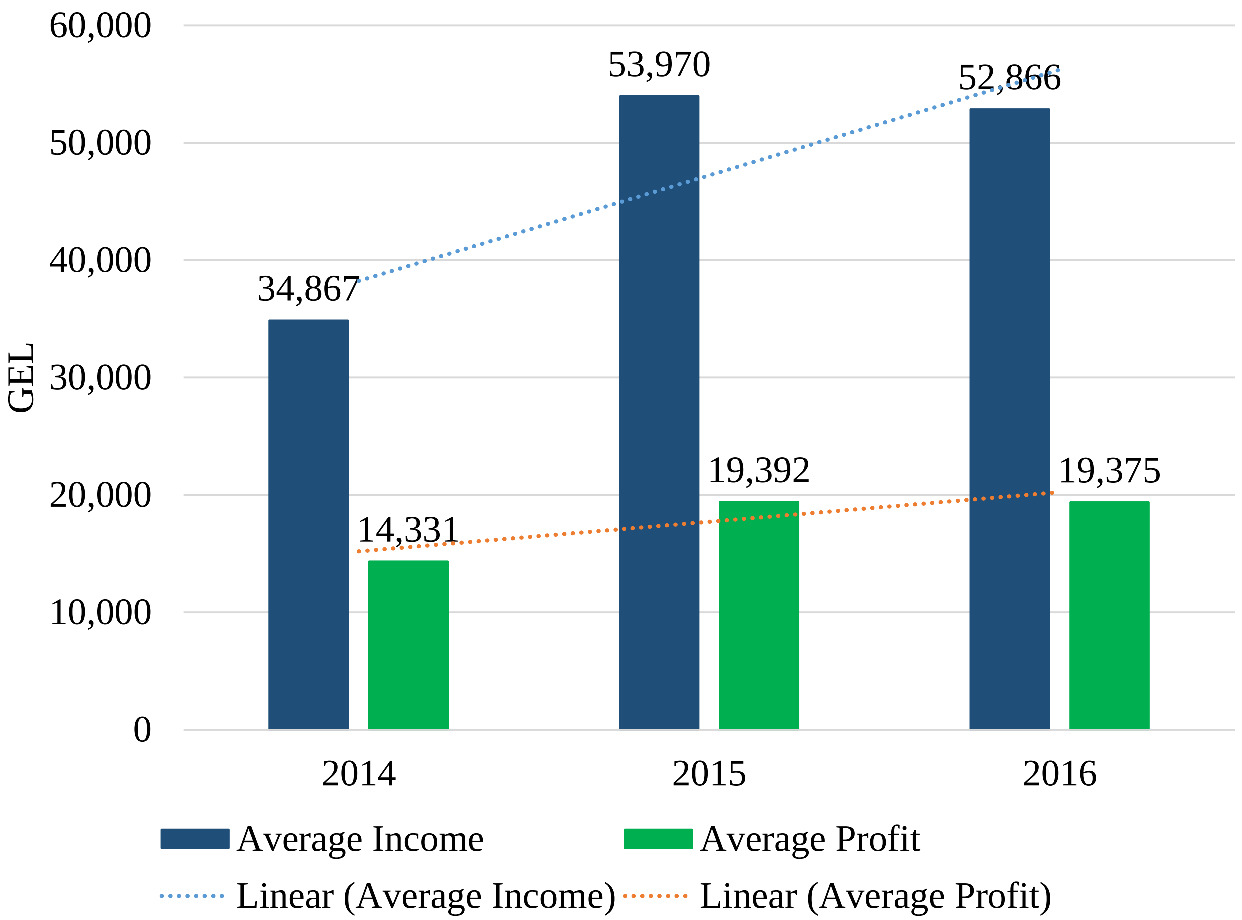
Out of 254 cooperatives 113 (44%) reported that unfavorable weather conditions affected their cooperative production in 2016.



Development of Cooperatives

Income and Profit per COOP

(based on 147 cooperatives selected either in 2014 or in 2015)



- More than 100 cooperatives started operation in 2016 (no development trend yet).

For cooperatives selected either in 2014 or in 2015:

- Compared to baseline year (2014), cooperatives in 2016:
  - Income increased by 52% on average;
  - Profit increased by 35% on average.

- Most of the cooperatives (76%) reported to **reinvest** the substantial share of their profit into cooperative business development.

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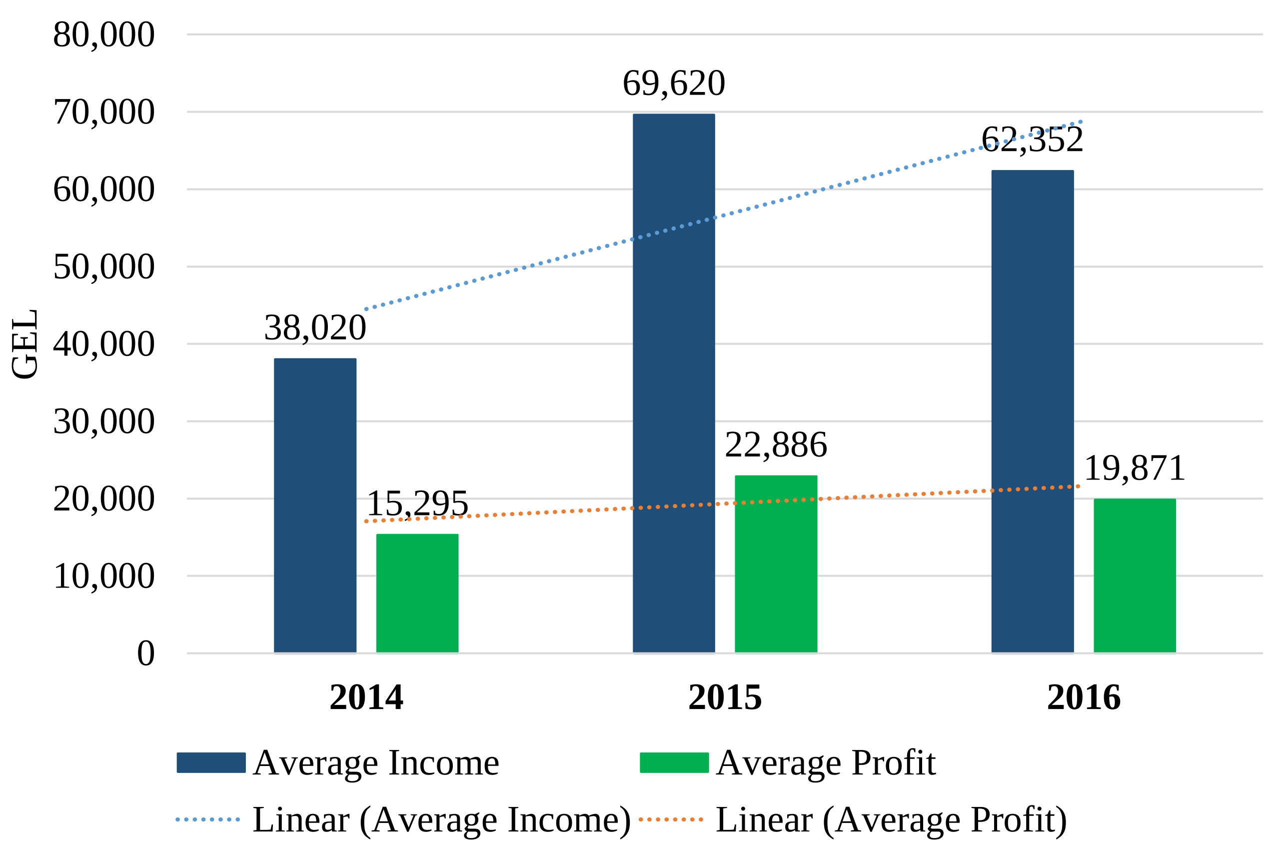
2-Year Development of Cooperatives

Income and Profit per COOP
(based on 91 cooperatives selected in 2014)



For cooperatives with the baseline year of 2014 (first-round cooperatives):

- Compared to baseline year (2014), cooperatives in 2016:
  - Income increased by 64% on average;
  - Profit increased by 30% on average.

- However, 2015 year was better than 2016 in terms of average income and profit (as seen on the graph)

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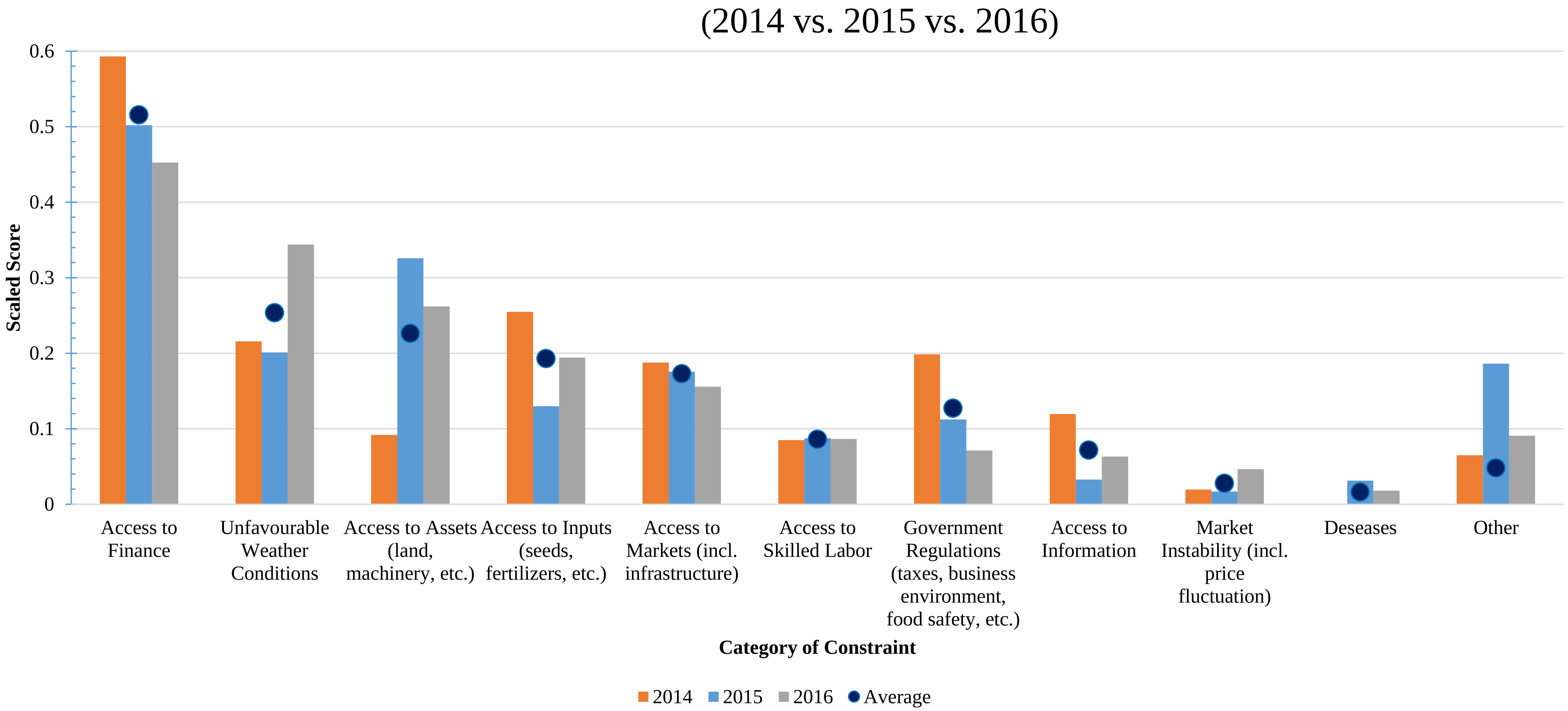
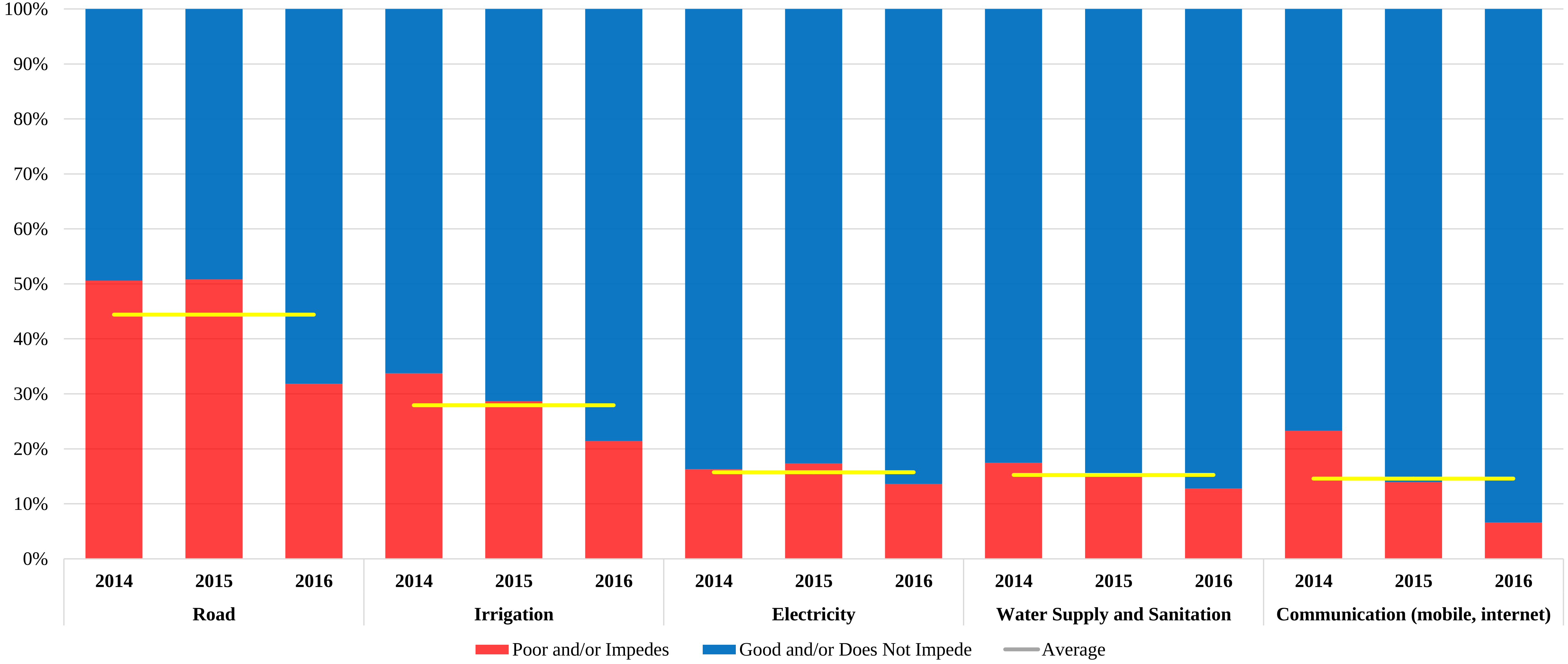
Constraints to the Success of Cooperative



Infrastructure

(which Affected Operation of Cooperatives)

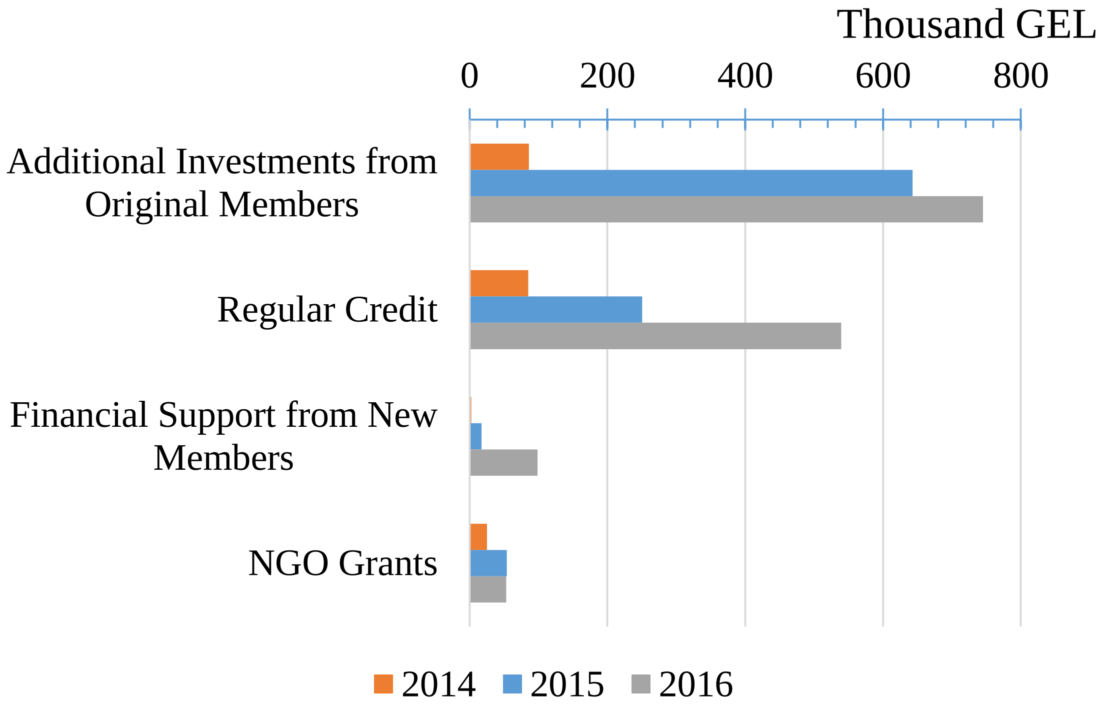
(2014 vs. 2015 vs. 2016)



Additional Support

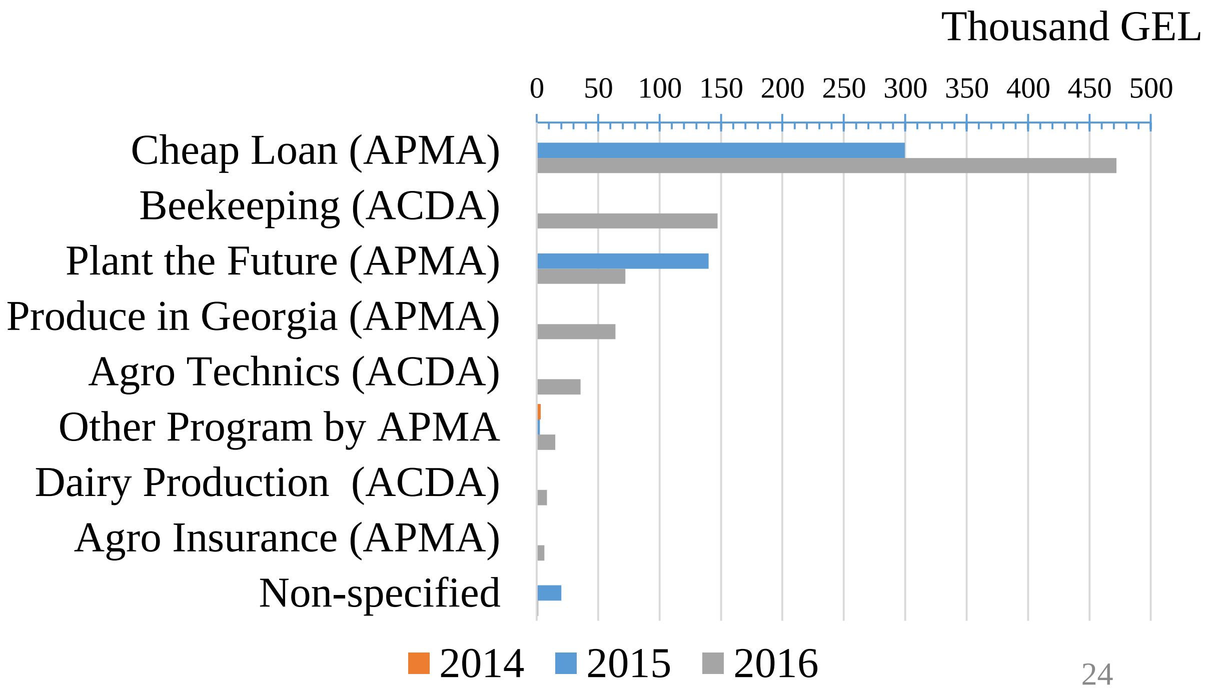
from non-Gov't sources

- Besides ENPARD grant, 22% of cooperatives received additional financial support from non-government sources (in 2016);
- In total, additional financed comprised **GEL 1,435,838**



from Gov't sources

- Besides ENPARD grant, 13% of cooperatives received additional financial support from the government (in 2016);
- In total, additional finances comprised **GEL 822,149**



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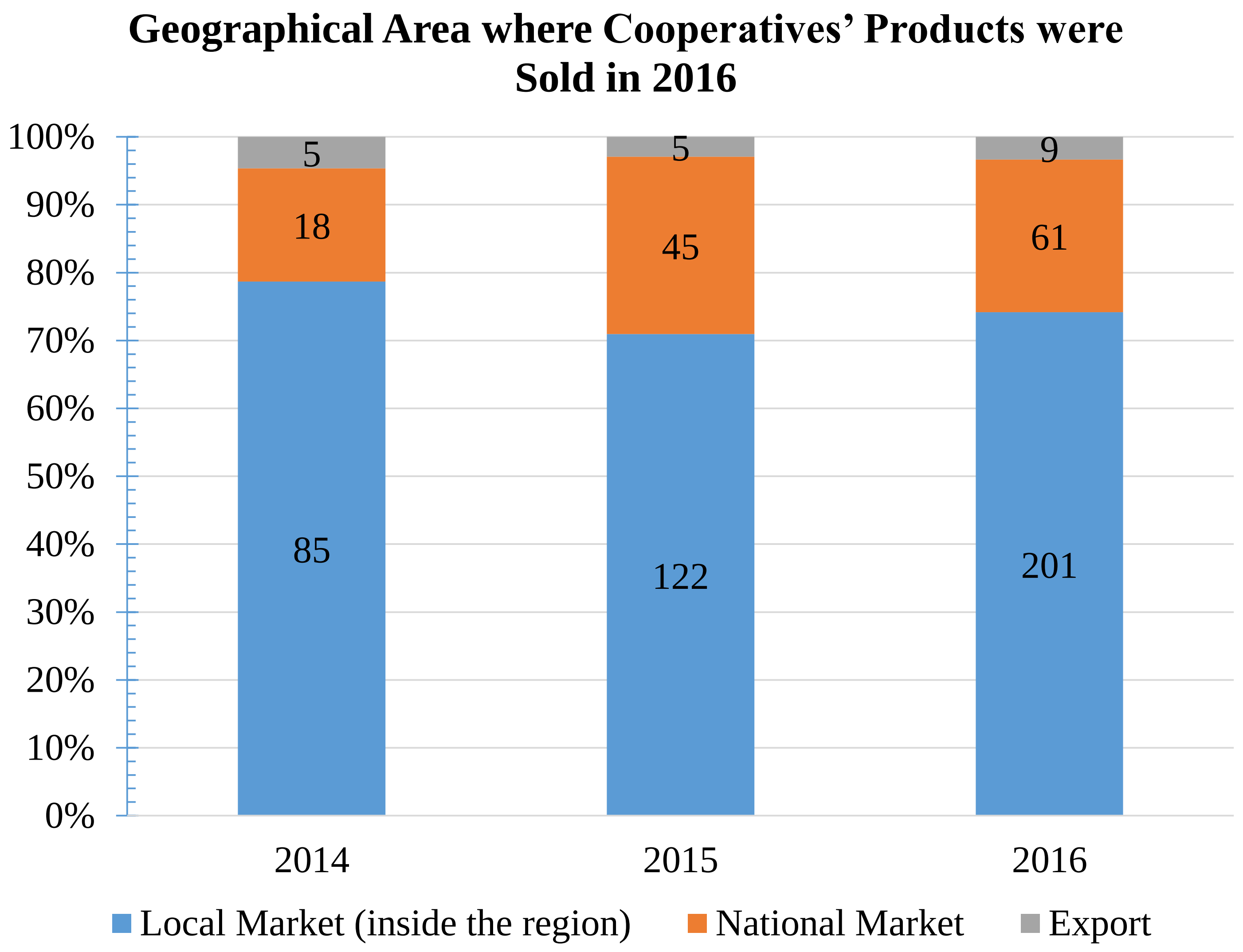
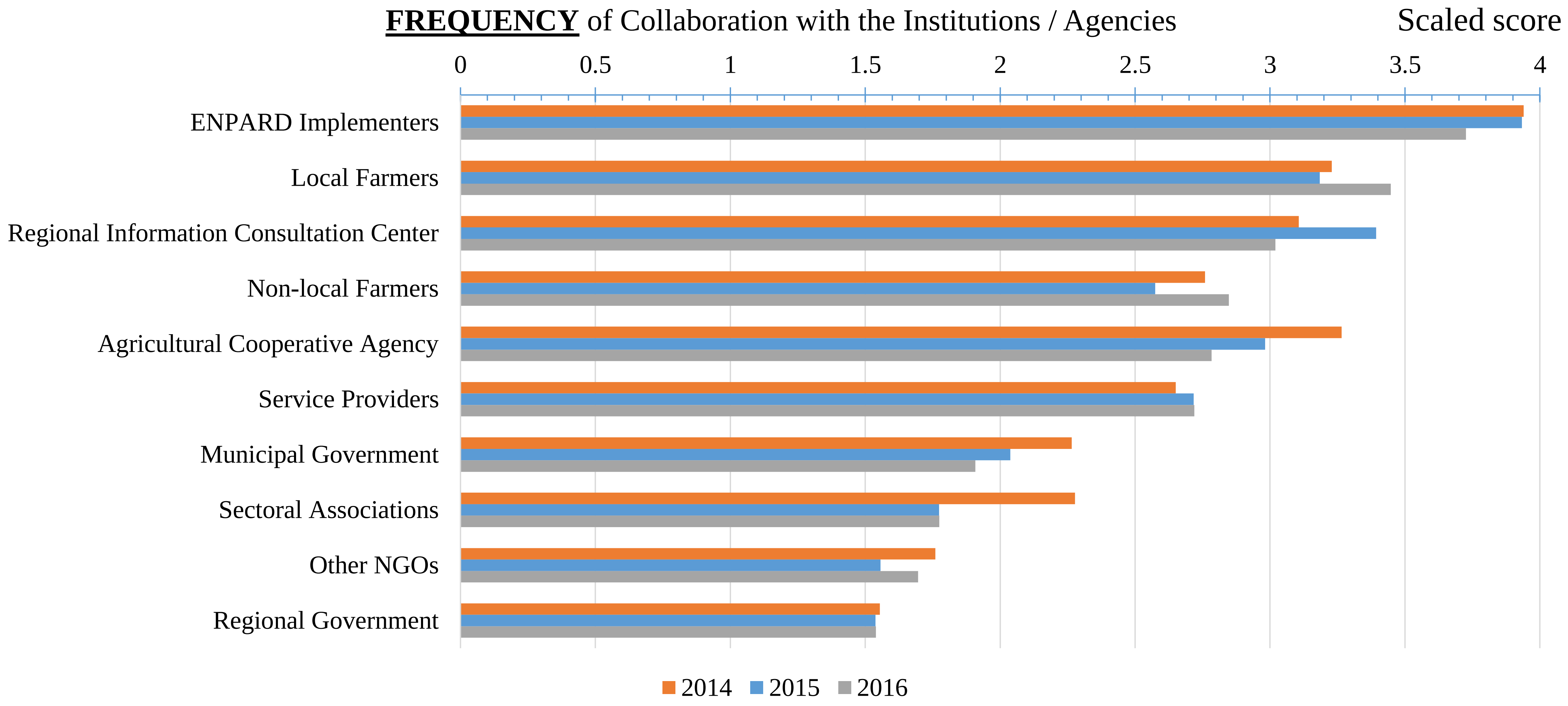
Markets & Marketing

- Most of the cooperatives sell their products at the local market (within own region);
- Products of 31% of cooperatives were sold outside of the region (at the national market);
- Products of 9 cooperatives were exported in 2016 (mostly via exporter);
- Three main channels of marketing are used:
  - Via wholesalers
  - Directly to local consumers
  - Via city [super]markets



Collaboration with Local Service Providers (I)

(2014 vs. 2015 vs. 2016)



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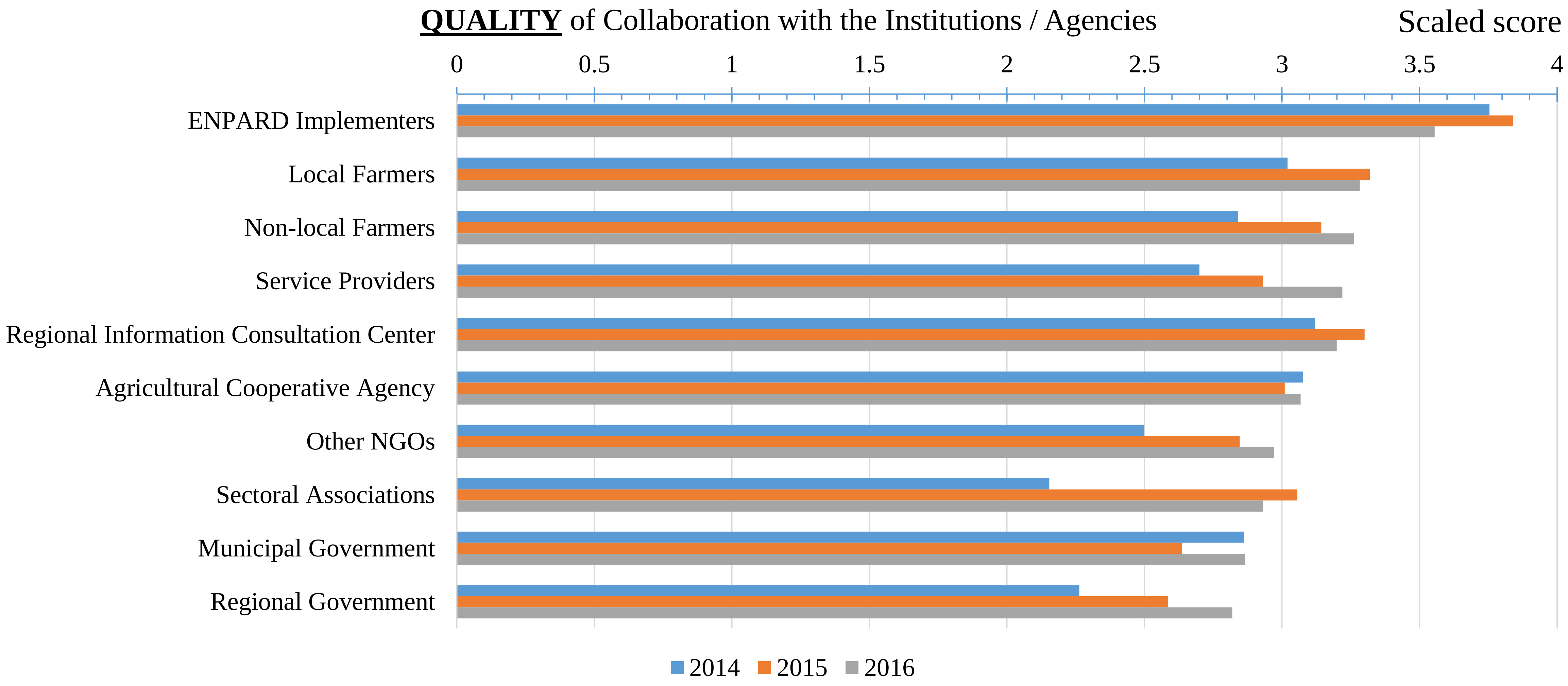
Collaboration with Local Service Providers (II)

(2014 vs. 2015 vs. 2016)



Outlook

- The next **Annual Cooperative Survey** (regarding 2017 year) will take place in October 2017;

- The final presentation of **Annual Cooperative Survey** results and the report will take place in the end of 2017.

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Thank you!

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